

FY 2003
Illustrative Independent Accountant's Report on the
Application of Agreed-Upon Procedures

To: Chief Financial Officer, [Department] (or FMS, GAO and OMB)

We have performed the procedures described below (or in the attachment), which were agreed to by the Department of the Treasury's Financial Management Service (FMS), the U. S. General Accounting Office (GAO), and the Office of Management and Budget (OMB) as stated in the FMS Federal Agencies' Centralized Trial Balance System (FACTS) guidance, solely to assist FMS in the preparation of, and GAO in the audit of the consolidated financial statements of the U.S. Government as of and for the year ended September 30, 2003. The [Department's] management is responsible for the proper accounting, presentation and reporting of its consolidated financial statements and reporting of information to FMS.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of FMS, GAO and OMB. Consequently, we make no representations regarding the sufficiency of the procedures described below (or in Attachment I) either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our associated findings are presented below (or in Attachment I).

The procedures we performed and our associated findings are presented in Attachment I (or insert procedures and findings)

We were not engaged to, and did not perform an audit of the matters addressed herein, the objective of which would be the expression of an opinion on such information. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the [Department], OMB, FMS and GAO and is not intended to be, and should not be, used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

[Signature] (Independent Public Accountant or IG)
[Date]

FY 2003
Illustrative Attachment I to the IG Agreed-Upon Procedures Report
For Federal Intragovernmental Activities and Balances

Procedure 1

Review the electronic file provided by the agency CFO of the responses to the intragovernmental reciprocal account categories of the CFO Representations for fiduciary and non-fiduciary transactions as described in the Treasury Financial Manual (TFM), Section 4060.70. For each “Yes” response, perform the following steps:

- Compare the amounts in such reconciliations to supporting documentation. Indicate if no differences were found. Explain in detail any differences.
- Trace the adjustments, if any, identified in the reconciliation process that require recognition on the books of the reporting entity (rather than on the books of the trading partner) to documentation supporting the recording of such amounts in the agency’s financial records. Indicate if no differences were found. Explain in detail any differences.

Findings: Provide the results of Procedure 1.*

Procedure 2

Review the electronic file provided by the agency CFO of the responses to the CFO Representations for reconciliation of intragovernmental activity and balances. For each “Yes” response, perform the following step:

- Compare the amounts, excluding intradepartmental activity and balances, in the audited agency consolidated financial statements to such amounts in the agency final FACTS I and/or FACTS I NOTES reports. Indicate if no differences were found. Explain in detail any differences.

Findings: Provide the results of Procedure 2.*

Procedure 3

Review the “Status of Disposition of Identified Differences” form on intragovernmental activity reported in FACTS I (provided by the CFO). Comment indicating your agreement, or disagreement, with the data provided by the CFO.

Findings: Provide the results of Procedure 3.

*Please note (a) AT 201.24 – negative assurance should be provided, (b) AT 201.25 – the concept of materiality does not apply and all findings should be reported, and (c) AT 201.26 – vague or ambiguous language should be avoided.

Deliver the separate Agreed-Upon Federal Intragovernmental Activity and Balances Procedures Report to the agency’s CFO, FMS, and GAO by January 23, 2004.